

in payment for the bonds from abroad, and had completed their deliveries under the contract on June 24, 1895. Members of the syndicate still held considerable quantities of gold, and the first exports were made up by voluntary deposits of this gold in the Treasury, amounting up to September 1<sup>st</sup>, 1895, to \$16,127,432. These deposits several times restored the reserve to \$100,000,000, when it was on the point of falling below that amount, but the reserve slowly travelled downward from \$107,512,362 at the end of June to \$92,943,179 at the end of October.

The loss of control over the exchange market practically terminated the efforts of the syndicate to maintain the reserve, in spite of their voluntary gold deposits. The gold obtained for shipment continued to be drawn almost exclusively from the Treasury, the net exports were \$13,468,-188 in November and \$14,170,899 in December, and the gold reserve fell to \$63,262,268 on December 31, 1895. President Cleveland in the meantime delivered to Congress on December 3d, his annual message, laying special stress upon the importance of retiring, by means of a bond issue, the legal tender notes, which were presented over and over again to the Treasury for redemption and were required by the Act of May 31, 1878, to be <sup>\*c</sup> re-issued and paid out again and kept in circulation.<sup>\*</sup> Congress gave no indication of compliance with this recommendation, and the raid upon the gold reserve increased in intensity after the delivery of the special message of the President upon the encroachments of Great Britain upon the Venezuelan boundary. The possibility of war between Great Britain and the United States led English investors to unload American securities, caused large withdrawals of gold from the Treasury for export, and brought the country to the verge of the suspension of gold payments. The President, on December 20th, called the attention of Congress in a special message to the serious financial condition of the country and urged that they should not take a recess for the holidays without taking some step for the protection of the public credit. An effort was made by Congress to pass some legislation, but it was not satis-